

WASHINGTON STATE DEPARTMENT OF REVENUE



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Consumers reap benefits from new gift card law signed by Governor

OLYMPIA, Wash., March 26, 2004 — Ever been stuck with an expired gift card? Washington consumers will no longer have to worry about expiration dates, thanks to legislation signed into law today by Governor Gary Locke.

Consumers now will be able to use the full amount on their gift cards or gift certificates forever. The new law, which takes effect July 1, effectively bans retailers from assigning expiration dates and charging service and inactivity fees on gift cards purchased by consumers. In exchange, retailers are no longer required to report unused portions of gift cards to the state as unclaimed property.

The legislation is patterned after a similar one in California that had the support of Consumers Union, only it improves upon it by also requiring that merchants cash out unused amounts below \$5 upon demand.

“It’s a winning situation for all involved, but the consumer really comes out on top,” said Will Rice, Department of Revenue Director. “Consumers will have the peace of mind in knowing their gift cards and certificates can always be used.”

The old law required retailers to turn over to Revenue’s Unclaimed Properties Division unused portions of gift cards after three years. The division received about \$2.7 million annually, but Revenue had difficulty returning the money to consumers because it was usually in small amounts and

there usually wasn't a clear record of ownership. The money usually went into the state general fund instead.

Rep. Ross Hunter (D-Medina) sponsored the legislation after it was proposed by the Washington Restaurant Association. Restaurants and other retailers supported the bill because it provides better protections for Washington consumers. Lane Hoss, vice president of marketing at Anthony's Restaurants, thinks the new law represents a great collaboration to protect consumers.

"I think this is a great example of government and business working together to put the needs of consumers first," said Hoss. "This relieves a huge administrative burden from businesses to report unused amounts, and the state having to try to find the owners."

A representative from Starbucks echoed those sentiments.

"Passing this legislation is a wonderful example of policymakers coming together to help make Washington State a more competitive business climate while providing protection to consumers," said Elise McClure, vice president of tax and customs for Starbucks Coffee Company.

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